

BUDGET IN BRIEF

ADOPTED FY 2019



“At its core, in its essence, a city’s budget reflects a community’s dreams, aspirations, and values.

This budget reflects all those things, and bold vision for Norfolk.”

- City Manager Douglas L. Smith

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MESSAGE FROM THE CITY MANAGER

Norfolk manages resources for the community in a thoughtful and effective way. However, our responsibility is about more than sound financial management of public resources. Ultimately, the budget—how we spend the people’s money—is about helping people thrive in Norfolk, helping them have the best quality of life possible. Sustaining and even elevating that quality of life requires bold and innovative ways to approach challenges and meet ever-growing needs.

The Adopted FY 2019 Budget embodies new approaches to allocating our constrained resources and is based on our economic reality. It reflects expenditure reductions that were participatory and thoughtful, and fee increases that allow the city to more effectively recover its costs. While these actions balance the budget; bold new initiatives require new revenue.

The budget includes a ten cent real estate tax rate increase to fund City Council and community priorities. We are building a great city – a city that is reimagined for tomorrow. The budget represents a significant step in our journey toward building a great city of the 21st Century.

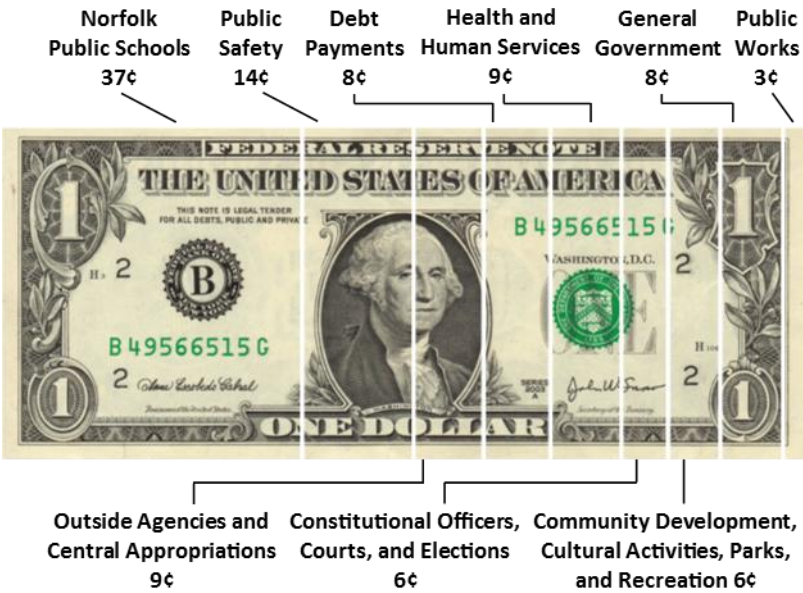
Douglas L. Smith
City Manager

FUNDING CITY SERVICES

The City of Norfolk relies on several revenue sources to fund city services. City services are provided through six different types of funds. The General Fund provides funding for the city's daily operations and services. Internal service, special revenue, and enterprise funds have specific revenue sources and have restrictions on how to use them. For example, the revenue received from parking garages can only finance expenditures that support parking operations. Capital projects and grant funds are restricted for capital construction and grant implementation.

Source	Fund	Use	Example
Property taxes, permits, fees	General Fund	Daily government operations and services	Libraries, Police, Fire
Fees charged to users	Enterprise Funds	Self-supporting operations financed through fees	Water, Wastewater, Parking Facilities
Revenues received in service delivery	Special Revenue	Designated for specific purposes	Cemeteries, Waste Management
Charges between city departments and partners	Internal Service Funds	Expenditures between city departments and partners	Healthcare, Fleet Management
Debt and cash	Capital Projects Fund (CIP)	Purchase property, construction and renovation of facilities	Construction of schools, libraries
Housing and Urban Development (HUD)	Grants (Special Revenue)	Support public services, housing and economic development	Community Development Block Grant (CDBG)

HOW EACH DOLLAR IS SPENT



Note: Might not total \$1 due to rounding

Adopted FY 2019 Budget Overview—All Funds

Fund	Adopted Amount
General Fund	\$880,788,426
Enterprise Funds	\$145,660,878
Special Revenue Funds	\$60,312,685
Internal Services Funds	\$103,941,204
Total Operating Funds	\$1,190,703,193
Capital Improvement Plan	\$112,039,271
Total Operating and Capital Funds	\$1,302,742,464
Annual Plan for HUD Block Grants	\$5,841,730
Total Financial Plan	\$1,308,584,194

*Capital Improvement Plan is for FY 2019 only and includes all funds

FY 2019 OPERATING BUDGET HIGHLIGHTS

- ◇ **Real Estate Tax Increase:** Ten cent tax increase to fund new initiatives to move the city forward
- ◇ **Support for Norfolk Public Schools:** An additional \$5 million in ongoing support paid for with 2.70 cents of the real estate tax increase
- ◇ **Waste Management Fee Reduction:** A \$3 per month reduction to the residential solid waste collection fee
- ◇ **St. Paul's Redevelopment:** \$3.5 million for the People First and redevelopment initiatives in the St. Paul's area paid for with 1.90 cents of the tax increase
- ◇ **Investments in Coastal, Economic, and Neighborhood Resilience:** \$1.85 million paid for with 1.00 cent of the real estate tax increase
- ◇ **Fee Increases:** Increases to select fees across the city to recover costs
- ◇ **Investment in Technology, Vehicles, and Equipment:** Modernize technology, vehicles, and equipment paid for with 2.08 cents of the real estate tax increase
- ◇ **Personnel Reductions and Reorganizations:** Completed a programmatic review of departments resulting in the elimination of 78 permanent positions and eliminated unfunded positions
- ◇ **Employee Salary Increases:** A two percent salary increase for general employees, a step increase for sworn Police and Fire-Rescue employees, and new pay plans for Sheriff's deputies and 911 telecommunicators, paid for with 1.67 cents of the real estate tax increase
- ◇ **Two Percent Supplement for Retirees and Beneficiaries:** A two percent supplement on the first \$36,000 of retirement benefits for those who retired before July 1, 2014

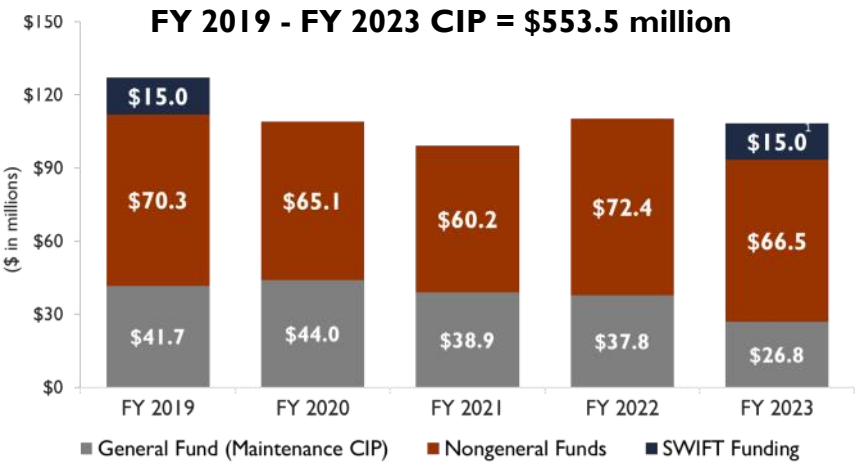
FY 2019 – FY 2023 CIP OVERVIEW

In addition to the operating budget, the city has a Capital Improvement Plan (CIP). A CIP funds large projects, typically with debt, that is repaid over time.

The FY 2019 - FY 2023 general CIP continues a period of maintenance level investment as the city continues to pay for previous large, generational projects. The general CIP is displayed in gray below.

The nongeneral fund CIP will invest \$334.4 million over the next five years to improve critical water and wastewater infrastructure, address flooding citywide, and improve parking facilities. Nongeneral fund investment is displayed in red below.

Another \$15 million will be made possible in FY 2019, through the Sustainable Water Initiative for Tomorrow (SWIFT) project with the Hampton Roads Sanitation District (HRSD). If SWIFT is successful, HRSD will pay the city another \$15 million in FY 2023 (est.) These funds will be used to create a school construction fund.



Numbers may not exactly add due to rounding

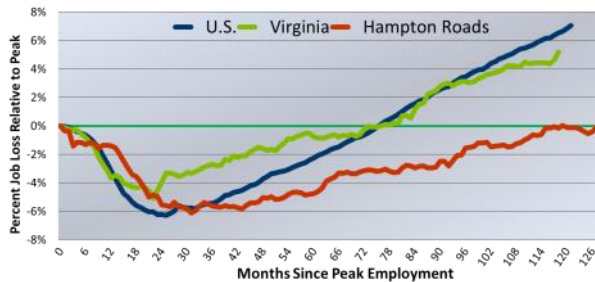
CHALLENGES: ECONOMIC BACKDROP

This section summarizes the challenges the city faced in developing the Adopted FY 2019 Budget, starting with the economic backdrop.

REGIONAL EMPLOYMENT

The Hampton Roads' economy has seen comparatively slow employment growth since the Great

Regional Employment Trends



Recession. Civilian employment in the region is not recovering as quickly as the rest of the state or nation.

Norfolk added nearly 6,000 new jobs from 2016 to 2018 through projects like the Waterside District, The Main, and the Premium Outlets, and employers like Optima Health, Movement Mortgage, Norfolk Southern, and ADP. However, Hampton Roads had the fourth lowest employment growth of comparable U.S. metro areas.

Year-Over-Year Employment: December 2016-December 2017

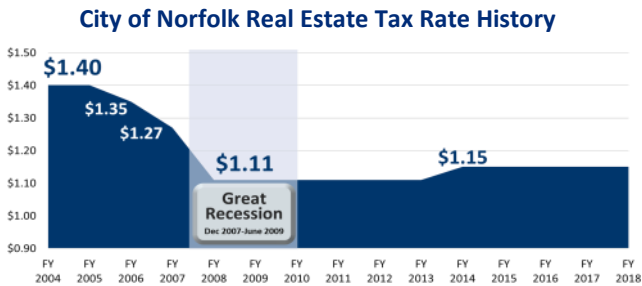


Images source: Bureau of Labor Statistics, HRPDC (Revised)

CHALLENGES: ECONOMIC BACKDROP

REAL ESTATE TAX RATE

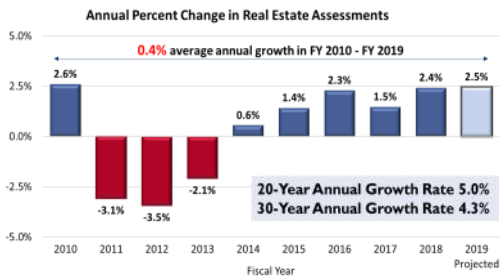
Real estate tax is the single largest local revenue source for the city. In FY 2005, the real estate tax rate was \$1.40 per \$100 of assessed value. During that time, the real estate market was booming and residents were demanding relief. As a result, the city reduced the real estate tax rate to \$1.11 in FY 2008. Shortly afterwards, the nation entered the worst recession since the Great Depression.



REAL ESTATE ASSESSMENT GROWTH

Along with the lower tax rate, the city has experienced lower than historical real estate assessment growth since the Great Recession. Over the last ten years, assessment rates have only grown 0.4 percent per year, on average.

Despite the recent growth in assessments, in FY 2018 the average resident still paid \$168 per year less in real estate tax than during the FY 2010 peak.



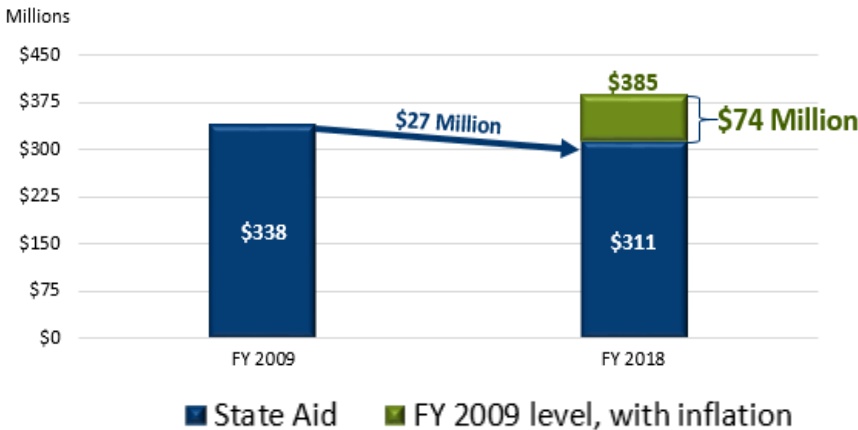
CHALLENGES: REDUCED STATE AID

REDUCED STATE AID

The city’s revenue challenges extend beyond real estate tax. The city receives aid from the Commonwealth of Virginia that funds priorities such as schools, human services, and public safety. Over the past ten years, state aid has decreased by \$27 million. When adjusted for inflation, this is a \$74 million decrease.

From FY 2009 to FY 2018, state aid for education decreased by \$23.6 million and public safety aid decreased by \$1.8 million. Education and public safety are two of the city’s top priorities, as state aid has decreased, Norfolk taxpayers have covered a larger portion of these costs.

General Fund State Aid



Note: State aid does not include state aid for Norfolk Community Services Board

CHALLENGES: CONTINUING TO PAY FOR GENERATIONAL PROJECTS

Despite revenue challenges, over the past decade, the city invested in several large, generational capital projects. These investments were financed largely through debt that is repaid over time. From FY 2007 to FY 2017, the city's general CIP totaled more than \$1.1 billion, or nearly \$100 million in investments per year. Projects included Slover Library, light rail, eight new schools, and the Consolidated Courts Complex.



Light Rail



Courthouse



Slover

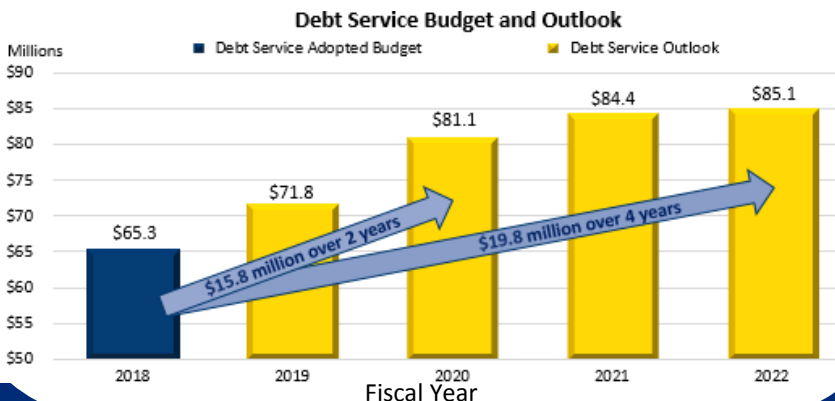


New Schools



Cruise Terminal

The city strategically delayed principal payments on some of the new projects and actively managed its debt issuance to mitigate the budgetary pressure of several projects opening at once. These practices provided financial relief for the years following the recession, but they also resulted in higher debt payments in the coming years. Annual debt service is projected to grow by \$15.8 million over the next two years and by \$19.8 million over the next four years.



CHALLENGES: TECHNOLOGY, VEHICLES, AND EQUIPMENT BACKLOG

During the recession, the city made the decision to defer investments in technology, vehicles, and equipment to help get through tough times. As a result, the city now has aging equipment that is fast becoming outdated and unusable.



The city is facing a significant technology backlog. Approximately 75 percent of public safety radios are more than seven years old, 82 percent of computers are five years old or older, and 87 percent of phones are at least 25 years old.

Almost 70 percent of the city's fleet inventory is beyond its useful life. Older vehicles spend more time in the shop for repairs and less time serving residents. Additionally, outdated and older equipment is more expensive to maintain.



RESULT OF CHALLENGES: \$13.3 MILLION BUDGET GAP

Summary of Challenges:

- ◆ Real estate tax rate was reduced from \$1.40 to \$1.11 in front of the worst recession since the Great Depression
- ◆ Over the past ten years, citywide real estate assessments have grown at only 0.4 percent annually
- ◆ FY 2007 – FY 2017 the general CIP averaged almost \$100 million a year as the city made generational investments across the city
- ◆ Annual debt service is projected to grow by nearly \$20 million by 2022
- ◆ State support has decreased over the past ten years by \$27 million, and by \$74 million when adjusted for inflation

The Result:

As a result of the challenges, the city faced a preliminary base budget gap of \$13.3 million when beginning the FY 2019 budget development process. This means that estimated expenses are \$13.3 million more than estimated revenue just to fund the status quo. This gap does not include funds for:



- Additional funding for Norfolk Public Schools,
- Salary increases for city employees,
- The addition of new programs or services.

CLOSING THE GAP: MORE INCLUSIVE PROCESS

In order to balance the \$13.3 million gap, tough decisions had to be made. As a result, the city made a commitment to City Council to start the budget process early, and make it inclusive.

Budget Workshops

In the fall, the Budget Office hosted interactive budget workshops for residents and city staff. The workshops asked participants, “How would you solve the budget gap?” Residents and employees prioritized spending and adjusted revenues to support their priorities to create a balanced budget. In total, more than 130 people attended these workshops.



Online Budget Tools

BalancingAct.

The city also introduced two interactive webtools: Balancing Act and Taxpayer Receipt. Balancing Act allowed residents to tell the city how they would close the budget gap. Taxpayer Receipt allows residents to see what their local taxes pay for.

Committee Process

The budget process was also more inclusive within the city. Two committees were created: the Capital Budget Committee and the Operating Budget Committee. A comprehensive program catalog was developed to consider the cost–benefit of all city programs and to clarify trade-offs between different spending options.

CLOSING THE GAP: DEVELOPING STRATEGIES

The Operating Budget Committee tasked city departments with identifying strategies to help close the base budget gap. The strategies included expenditure cuts and revenue increases with the goal of identifying a total of \$14 million to close the gap.

The target amount varied based on department type. The city strived to avoid any reductions to public safety, but the gap was too large to hold them harmless. The targets are outlined below:

- ◇ Executive Departments: 5.5 percent
- ◇ Council Appointees and Constitutional Officers: Two percent
- ◇ Public Safety: Two percent



GUIDING PRINCIPLES



The city used a number of guiding principles to balance the budget. This included the long-term goal to grow the economy, but also principles related to short-term solutions to reduce expenditures, and increase revenues within an overarching principle of inclusiveness.

CLOSING THE GAP: GUIDING PRINCIPLES

Below are the guiding principles for expenditures and revenues that the city used to close the base budget gap. First, the expenditure guiding principles below:

Expenditure Guiding Principles

- 1 Deliver the right services at the right cost
- 2 Provide excellent core services
- 3 Invest in technology to meet citizen expectations
- 4 Close underutilized facilities and duplicative programs
- 5 Identify savings opportunities through inclusive process

Revenue Guiding Principles

Next, the city's guiding principles for revenue:

- Structure fees to provide lower costs to lower income residents
- Charge a fee to recoup costs for:
 - any service also provided by the private or non-profit sector,
 - any optional service, and
 - any service that enables the recipient to generate a profit.

To ensure lower income residents are not negatively impacted by these fee increases, Norfolk will introduce a new program called PowerUp! to provide discounts on city services for residents who qualify for certain social services.

More information coming soon!



CLOSING THE GAP: EXPENDITURE REDUCTIONS AND REVENUE INCREASES

With the guiding principles in mind, the city made expenditure reductions and increased select fees. Below is a selection of the changes.

Select General Fund Expenditure Reductions

PERSONNEL IMPACT:

- Personnel costs make up 74 percent of the city's operating budget, making personnel cuts unavoidable. Departments reviewed operations to make systematic decisions resulting in the elimination of 78 permanent

positions.

CLOSING UNDERUTILIZED FACILITIES:

- Hartwick and Bayview Group Homes
- Jordan-Newby Library

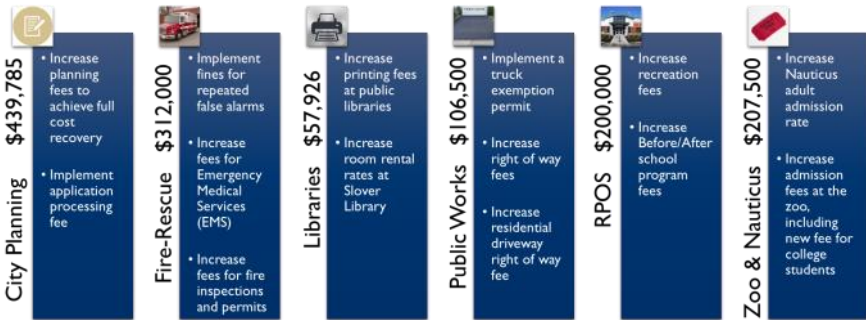
SERVICE REDUCTIONS:

- Reduce street maintenance
- Eliminate non-city elevator

PUBLIC SAFETY:

- Adjustment of Fire-Rescue stipends, a reduction of specialized staff, and \$1.2 million cut to the Police Department

Noteworthy General Fund Fee Increases



MOVING BEYOND THE STATUS QUO

Balanced Budget

Through department expenditure and revenue strategies, the city was able to balance the budget. This balanced budget allows the city to provide most of the same services.

This budget does not address the city's challenges.

This budget is not bold.

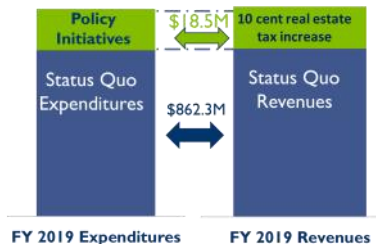
This budget does not reflect the city Norfolk wants to be.

This budget does not address the residents' or City Council's priorities of education, neighborhoods and housing, public safety, and resilience.

FY 2019 Budget

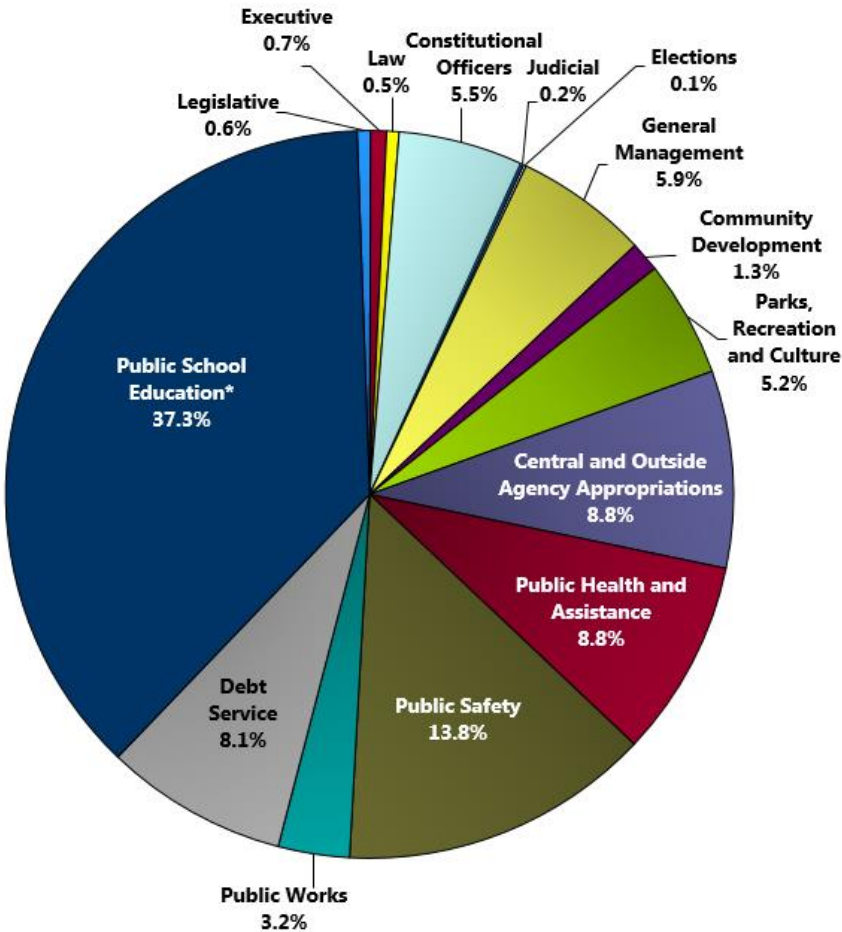
The Adopted FY 2019 Budget is not the budget described above. The Adopted FY 2019 Budget includes increased investment in schools, funds for the redevelopment of St. Paul's, resilience initiatives, investments in technology, a continued commitment to public safety, and employee salary increases.

However, new investments require new revenue. The Adopted FY 2019 Budget includes a ten cent real estate tax increase to fund the city's challenges.



GENERAL FUND EXPENDITURE AT A GLANCE

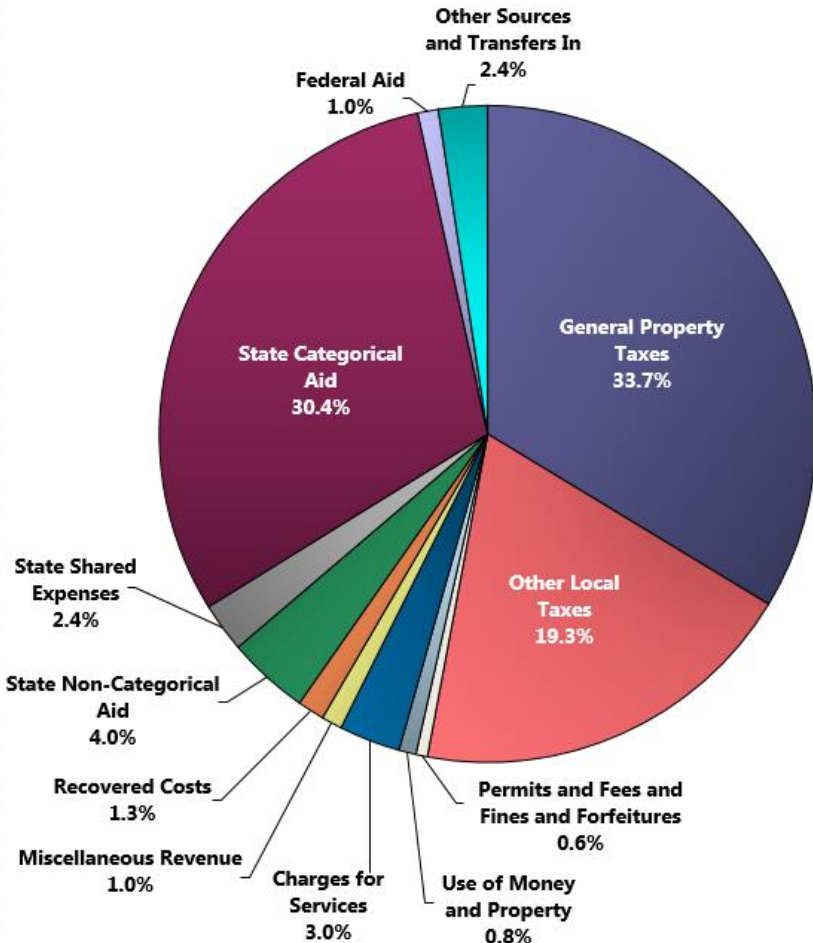
Adopted FY 2019 General Fund Expenditures by Area



*Does not include "in-kind" support. See Public School Education section in the Adopted FY 2019 Budget book

GENERAL FUND REVENUES AT A GLANCE

Adopted FY 2019 General Fund Revenue by Sources



FUNDING SOLUTIONS TO NORFOLK’S CHALLENGES

The Adopted FY 2019 Budget includes a ten cent real estate tax increase. The increase will raise rates from \$1.15 per \$100 of assessed value to \$1.25. The tax rate increase will begin to fund solutions to Norfolk challenges.



The tax increase will fund City Council’s priorities of public safety, education, neighborhoods and housing, and resilience. In addition, the new revenue will be used to make meaningful investments in technology, vehicles, and equipment and support a salary increase for employees.

1.90¢

St. Paul's

2.7¢

A GREAT CITY HAS GREAT SCHOOLS

Tax increase funds \$5 million in ongoing operating support

The City of Norfolk is committed to supporting Norfolk Public Schools. A real estate tax increase of 2.7 cents will provide an additional \$5 million in ongoing operating support.



Five-Year Capital Investment in Education: \$53 million

- Funds \$1 million a year to continue school bus acquisition for a total of \$5 million over five years
- Provides \$6 million in FY 2019 for major school maintenance and \$18 million over five years
- Creates a \$30 million school construction fund with funding from HRSD's SWIFT program

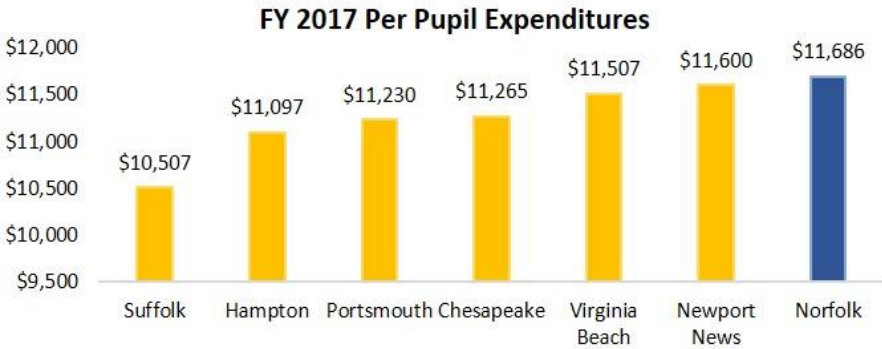


School Funding Formula

The Adopted FY 2019 Budget includes a revenue sharing policy. The revenue sharing policy better ensures stability and predictability for budget planning and allows for collaborative focus on issues beyond funding.

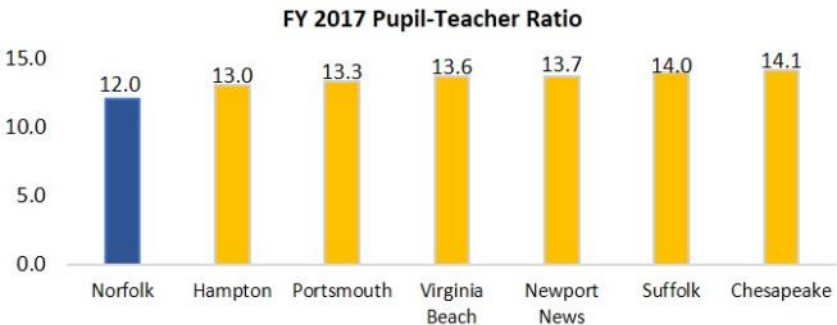
A GREAT CITY HAS GREAT SCHOOLS

The city's dedication to Norfolk Public Schools is evidenced in the latest data released by the Virginia Department of Education. Norfolk ranks the highest among the seven major Hampton Roads cities in per-pupil spending.



Source: Virginia Department of Education's Superintendents' Annual Report, 2016-2017

NPS also has the lowest pupil-teacher ratio in the region at 12 to 1. The low pupil-teacher ratio increases opportunities for smaller class sizes.



Source: Virginia Department of Education's Superintendents' Annual Report, 2016-2017

0.65¢

A GREAT CITY HAS GREAT PUBLIC SAFETY

Tax increase restores the \$1.2 million cut to NPD

Public safety is a top priority, and a 0.65 cent tax increase will restore the \$1.2 million reduction to the Norfolk Police Department. Without the tax increase, the department would have had to consider charging for bike licenses and increasing fees for accident reports, criminal record checks, finger printing, and other services. The department would also have to evaluate reducing Police Academy sizes or postponing an academy, resulting in fewer officers in neighborhoods.

Other investments in Public Safety



- ◇ Replace 15 police cruisers
- ◇ Replace 20 detective sedans
- ◇ Add generators at two police facilities
- ◇ Add a new Fire-Rescue pumper
- ◇ Invest \$3 million over five years to maintain fire stations



1.00¢

A GREAT CITY IS RESILIENT

Tax increase provides \$1.85 million annually for resilience

The adopted budget includes a one cent real estate tax increase, or \$1.85 million a year, to be used to establish a dedicated funding source for resilience projects. These funds will be used to support coastal, economic, and neighborhood resilience. Annually, this funding will be used to help finance resilience projects such as matching funds for flood mitigation efforts, flood wall improvements, resilience dividends on planned projects, and resilience risk mitigation.



Five-Year Capital Investment: \$63.7 million

The FY 2019 - FY 2023 CIP also includes \$63.7 million for investments in storm water and resilience projects.

Five-Year Storm Water CIP



FY 2019 – FY 2023

Raise the Downtown Floodwall
\$18 million

NEW

Address Flooding in
Spartan Village
\$1 million

NEW

Reduce Neighborhood and
Street Flooding
\$27.4 million

Improve Storm Water Quality
\$11.8 million

Improve System and Facilities
\$5.5 million

2.08¢

A GREAT CITY TAKES CARE OF ITS ASSETS

Tax increase invests \$3.86 million in city assets

As mentioned earlier, many of the city's technology, vehicle, and equipment assets are beyond their useful life. Available resources are insufficient to address these growing backlogs. In FY 2019, 2.08 cents of the tax increase will support:

- ◇ \$2.33 million for vehicles and equipment
- ◇ \$1.53 million to replace and upgrade key technology



Highlighted Five-Year Capital Investments in City Assets



- ◇ \$10 million for bridge maintenance
- ◇ \$77 million to improve the water delivery system
- ◇ \$67.5 to upgrade the city's water treatment plants
- ◇ \$25 million to improve street infrastructure
- ◇ \$5.8 million to maintain municipal facilities



1.67¢

A GREAT CITY INVESTS IN ITS WORKFORCE

Tax increase invests \$3.1 million in team Norfolk



Two percent
general wage
increase

Step increase for
Sworn Police and
Fire-Rescue
employees

New pay plan for
sworn Sheriff's
Deputies

New pay plan for
911 Operators



Other workforce investments in the budget

- ◇ Two percent supplement on first \$36,000 for retirees and beneficiaries
- ◇ Encourage current workforce to invest in their own 457 plan
- ◇ 73 percent of employees will see no changes to their current monthly healthcare contribution



Team Norfolk

FUNDING A GREAT CITY

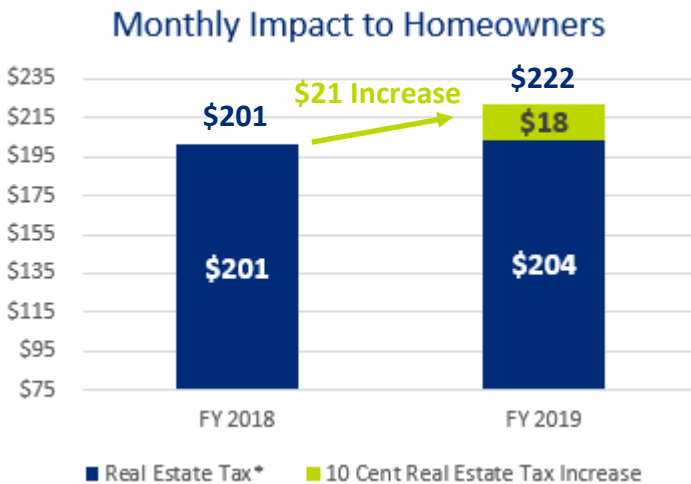


The ten cent real estate tax increase funds bold solutions to Norfolk's challenges:

- ◇ Invest in education by providing \$5 million in ongoing operating support for Norfolk Public Schools
- ◇ Restore the \$1.2 million reduction to the Police Department's budget
- ◇ Invest \$1.85 million in resilience initiatives throughout the city
- ◇ Invest \$3.9 million in new technology, vehicles, and equipment
- ◇ Invest \$3.1 million in the city's workforce including a two percent salary increase for general employees, step increases for sworn Police and Fire-Rescue employees, a new pay plan for Sheriff's deputies, and a new pay plan for 911 telecommunicators
- ◇ Invest \$3.5 million in the People First Initiative and St. Paul's redevelopment

IMPACT TO HOMEOWNERS

Average homeowner will pay \$21 more per month than FY 2018



*Bases on assessments of \$209,302 (FY 2018) and \$213,044 (FY 2019)

In FY 2019, the average homeowner will pay an additional \$3 a month in real estate tax due to real estate assessment values increasing and an additional \$18 a month due to the ten cent real estate tax increase. In total, the average homeowner will pay an additional \$21 a month or \$252 a year.

The ten cent increase will fund bold, new initiatives to go beyond the status quo. The new revenue will begin to fund solutions to Norfolk's challenges.

FY 2019 BUDGET AMENDMENT HIGHLIGHTS

City Council identified amendments to the Proposed Budget. This section highlights a few of the budget amendments that are included in the Adopted Budget.

Outside Agencies: Restoration of the five percent funding decrease proposed for our outside agency partners

Fire-Rescue: The restoration of the proposed reductions to firefighter stipends and the restoration of two specialized firefighter positions

Norfolk Emerging Leaders (NEL) program: Restores funding for the Norfolk Emerging Leaders (NEL) program for a total of 272 NEL positions in FY 2019.

Campostella and Merrimack Station Recreation Centers: Restores funding to continue year-round programming at Campostella and Merrimack Recreation Centers

Grandy Village Recreation Center: Restores funding to continue current operations and programming at the Grandy Village Recreation Center.

Computer Resource Centers: Prevents the closing of Diggs Town and Oak Leaf Computer Resource Centers. Adds \$15,000 to expand programming provided at the computer resource centers

Festevents Ocean View programming: Provides \$25,000 to Norfolk Festevents for programming in Ocean View.

Bed Tax: Raise the bed tax by \$1.00 per bed per night

Cigarette Tax: Raise the cigarette tax by ten cents

Parking Rates: Eliminate Parking rate increases

WASTE MANAGEMENT

While the real estate tax rate is increasing in FY 2019, the residential solid waste collection fee will decrease.

The city's largest waste management expense is the fee paid to dump refuse

that is collected from residents at the Southeastern Public Service Authority (SPSA) transfer station.

**\$3 a month
reduction**



In January 2018, Norfolk renewed its agreement with SPSA and renegotiated this cost from \$125 a ton to \$65 a ton.

The FY 2019 Budget invests some of the savings in critical fleet replacement and gives the rest back to the residents.

The budget includes a \$3 per month reduction in the residential solid waste fee, reducing the rate from \$28.01 per month to \$25.01 per month. The rate reduction will result in a \$36 per year savings to residents.

This savings will also allow the city to replace 18 more garbage trucks over the next five years.



The adopted budget also completes the transition of Keep Norfolk Beautiful from the Storm Water Fund to Waste Management, resulting in four additional positions in Waste Management. Keep Norfolk Beautiful is educational outreach initiative that hosts interactive programs and community service events to grow environmental awareness.



INVESTMENT IN NEIGHBORHOODS

The five-year CIP invests \$553.5 million in City Council’s priorities. Of the \$553.5 million, \$92.3 million is planned for neighborhood improvement projects.



The adopted budget includes \$1 million to finish the acquisition and demolition of Spartan Village’s inner-ring. Once the demolition is finalized, a flood mitigating landscape will be installed.



The budget also includes \$2.6 million over two years to acquire five blighted, multi-family rental properties in Wards Corner to strengthen the surrounding neighborhood. The purchases will complete the acquisition activities in the Comprehensive Wards Corner Neighborhood Plan.

INVESTMENT IN NEIGHBORHOODS

In addition to the CIP investments, the city uses various grants to strengthen neighborhoods. A few of the programs are highlighted below:

- ◇ **St. Paul's Quadrant Improvements:** \$500,000 of the Community Development Block Grant (CDBG) funding is programmed to coordinate physical improvements with comprehensive case management services in the areas of education, jobs, and health and wellness to residents in the area


- ◇ **City of Norfolk Homeowner Rehabilitation and Repair Program:** Provides owners of substandard residential rental properties low-interest financing, through the CDBG grant program, to support extensive interior or exterior improvements to their property. In FY 2017, the program provided assistance to 23 homeowners to improve their rental properties.


- ◇ **Department of Neighborhood Development Neighborhood Enhancement Program:** Serves as a link between the community and the city to promote neighborhood cohesion, stability, and sustainability in the Park Place, Huntersville, and Lamberts Point neighborhoods. This program is supported with CDBG funds.
- ◇ **Homebuyer Assistance:** Provide income-qualified first-time home-buyers with opportunities to become homeowners. In FY 2017, the program assisted 23 individuals to become first time homeowners. This program is supported by HOME Investment Partnership Program grant funds.

GREAT CITIES INNOVATE AND CULTIVATE CREATIVITY

The adopted budget includes new initiatives to foster innovation and cultivate creativity, some of which are highlighted below:

Gain Sharing: The city is continually looking for ways to save money, and the budget includes a program to reward employees and departments for cost saving ideas.



Artist in Residence: The budget creates an Artist in Residence Program to connect art and the city government. The position will collaborate and provide an unconventional outsider's perspective.

Chrysler Hall: The city will invest \$40 million over the next five years in Chrysler Hall, half funded through philanthropy. The investment is to update lobbies, add concessions, create a center aisle, enhance the balcony, and modernize the facility to ensure it remains the premier performing arts center in the region.



Norfolk Theater Festival: In partnership with the Virginia Arts Festival and Seven Venues, Norfolk will produce a theater festival in the fall. The festival will further solidify Norfolk as the arts and cultural center of Hampton Roads, and activate theaters on nights on which they would otherwise be dark.



Attucks Theater 100th Anniversary: During 2019, the city will implement a year-long campaign touting the 100th anniversary of the Attucks Theater highlighting its historical and cultural importance.

A GREAT CITY LOOKS AHEAD

City Manager's Goals for FY 2019

- ◇ **Complete the administration's five-year strategic plan**
- ◇ **Develop an Inclusive Economic Growth Strategy**
- ◇ **Deliver a Retirement Reform Plan**
- ◇ **Advance a Comprehensive Transportation Strategy**
- ◇ **Develop a citywide Recreation, Parks, and Open Space Plan**
- ◇ **Collaborate with Norfolk Public Schools to advance Career and Technical Education opportunities**

A GREAT CITY IS WHAT'S NEXT

The national media and scholars are talking about cities on the move like Nashville, Pittsburgh, San Diego, and Copenhagen. Next, the media will be talking about Norfolk. We are building a great city – a city that is reimagined for tomorrow. This budget is bold and visionary, and helps move us closer to becoming the great city we want to be. This bold budget represents a significant step in our journey toward building a great city of the 21st century.

SCHEDULE AND COUNCIL INFORMATION

City Council

Kenneth Cooper
Alexander
Mayor

Dr. Theresa W.
Whibley
Vice Mayor
Ward 2

Martin A. Thomas, Jr.
Ward 1

Mamie Johnson
Ward 3

Paul R. Riddick
Ward 4

Thomas R. Smigiel Jr.
Ward 5

Andria P. McClellan
Superward 6

Angelia Williams
Graves
Superward 7

Douglas L. Smith
City Manager



FY 2019 BUDGET CALENDAR

Tuesday April 3, 2018

- Proposed FY 2019 Budget Presentation

Tuesday April 10, 2018

- Budget Worksession One

Wednesday April 18, 2018

- Public Hearing: Proposed Budget (Granby High School)

Tuesday April 24, 2018

- Budget Worksession Two

Thursday May 3, 2018

- Budget Worksession Three

Tuesday May 8, 2018

- Budget Worksession Four

Thursday May 10, 2018

- Public Hearing: Real Estate Reassessment (City Council Chambers)

Tuesday May 22, 2018

- Public Hearing: Bed Tax and Cigarette Tax (City Council Chambers)
- City Council Budget Adoption

The Budget in Brief includes highlights of the Adopted 2019 Budget.

For additional details, please visit the city's website at www.norfolk.gov.